

Message

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Sent: 6/24/2013 3:13:46 PM
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Subject: Chef Menteur and Jesuit Bend -- Financial Assurances and Credit Release Rates

The New Orleans District IRT is concurrently reviewing the latest draft MBIs for the Chef Menteur Pass Mitigation Bank and the Jesuit Bend Mitigation Bank. These two proposed banks are based on wetland restoration using dredged materials. While the former would restore brackish marsh and the latter fresh marsh and cypress Tupelo Gum swamp, both present similar risks and opportunities with respect to restoration using the dredging and placement of fill material to re-establish wetland elevations. EPA supports this type of restoration activity; we believe it is the most preferable method for establishing marsh credits in coastal Louisiana. At the same time, however, this type of restoration involves substantially greater construction costs (and risk) as compared, for example, to reforestation of agriculture lands. Because of the basic similarities between these two banks (again, in terms of restoration/construction costs), the Corps should consider using similar credit release rates and financial assurances for both banks. Given the challenges associated with setting credit release rates and financial assurances in such cases, I would suggest that the Corps convene an IRT meeting in the near term for the single purpose of quickly developing agreed-upon credit release rates and financial assurances for these two banks (and similar banks which might come in the future). While I am sensitive to the fact that this might add time to the review process for these two banks; I think that concern is subordinate to the need to ensure that we establish a fair and level playing field among banks that rely upon similar restoration techniques. Corps and IRT folks, please let us know what you think. I would be available to meet this week, but after that I'll be out leave through July 12.

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